

Message Text

CONFIDENTIAL

PAGE 01 ROME 10817 121425Z

ACTION EB-08

INFO OCT-01 EUR-12 NEA-11 ISO-00 CAB-02 CIAE-00
COME-00 DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00
L-03 PM-05 NSC-05 SP-02 SS-15 H-01 /075 W
-----032272 121522Z /45

R 121128Z JUN 78

FM AMEMBASSY ROME

TO SECSTATE WASHDC 3477

AMEMBASSY BEIRUT

INFO AMEMBASSY PARIS

AMEMBASSY LONDON

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY ATHENS

AMEMBASSY JIDDA

AMEMBASSY AMMAN

AMEMBASSY MANAMA

AMEMBASSY DOHA

AMEMBASSY ABU DHABI

AMEMBASSY MUSCAT

C O N F I D E N T I A L ROME 10817

DEPARTMENT PASS COMMERCE FOR BED/OBOD, CAGNE; FAA FOR
CARMICHAEL; BRUSSELS FOR CARY AND PACE; ATHENS FOR RTDO

FROM RCAA DWOR

E.O. 11652: GDS

TAGS: BEXP, EAIR, LE

SUBJ: CIVAIR: U.S. SALES PROSPECTS TO MEA

REF: ROME 10724

1. VISITING US AEROSPACE OFFICIAL (GEORGE POHLE, DOUGLAS AIRCRAFT
COMPANY MIDDLE EAST SALES DIRECTOR) DISCUSSED RECENT DEVELOPMENTS
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ROME 10817 121425Z

MEA FLEET PLAN WITH RCAA JUNE 10, WHICH GIVES MORE BALANCED
PERSPECTIVE TO SHEIKH NAJIB ALAMUDDIN'S ROLE THEN SUBSTANCE REFTTEL.

2. SHEIKH NAJIB'S REPORT WAS DATED MARCH 6, 1978 AND ENTITLED,
"RECOMMENDATIONS AND OBSERVATIONS TO THE BOARD--MEA SEVEN-YEAR
PLAN 1978-1984 FROM THE BOARD ADVISER (SHEIKH NAJIB ALAMUDDIN)."

3. SUBSTANCE OF REPORT AS FOLLOWS: AS OUTLINED BY POHLE:

(A) MEA FORECAST OF EIGHT PERCENT ANNUAL TRAFFIC GROWTH 1978-1984 NOT CONSISTANT WITH POLITICAL REALITIES IN LEBANON, AT LEAST FOR THE NEXT TWO OR THREE YEARS. THEREFORE, ACQUISITION ONE 370-403 SEAT BOEING 747-200B PER YEAR 1980-1984 APPEARS TOO RAPID IN LIGHT OF PRESENT TRAFFIC REALITIES;

(B) TAKES ISSUE WITH MEA'S MANAGEMENT HAVING SUBMITTED FLEET PLAN 1978-1984 TO AIRLINE'S BOARD FOR INFORMATION PURPOSES ONLY. ALAMUDDIN STATES FLEET PLAN, WHICH INVOLVES ENTIRE FINANCIAL FUTURE OF AIRLINE, SHOULD BE SUBMITTED TO THE BOARD FOR DEFINITIVE APPROVAL OR DISAPPROVAL;

(C) SOFT BUT IMPLICIT SUPPORT FOR A-300 SUPER B4 WITH STATEMENT THAT MEA HAS ONLY TWO ALTERNATIVES TO MEET TRAFFIC GROWTH, NAMELY: BOEING 747-200B (370-403 SEATS) AND AIRBUS INDUSTRIE A-300 SUPER B4 (251 SEATS). ALAMUDDIN CORRECTLY CITES BOEING 747-200B DELIVERY PRICE 1980 AT APPROXIMATELY \$60-65 MILLION INCLUDING SPARES CFE (CUSTOMER-FURNISHED EQUIPMENT: GALLEYS, SEATS, ETC) AND A-300 SUPER B4 AT \$37 MILLION, INCLUDING CFE AND SPARES. ALAMUDDIN DID NOT MENTION ALTERNATIVES OF LOCKHEED-CALIFORNIA L-1011 TRISTAR OR MCDONNELL DOUGLAS DC-10;

(D) PERCEIVED DIFFICULTIES AHEAD OF MEA IN SUSTAINING FINANCING FOR NEW FLEET WHICH WOULD PROBABLY REQUIRE ADEQUATE CONFIDENTIAL

CONFIDENTIAL

PAGE 03 ROME 10817 121425Z

GUARANTOR, WHICH MAY BE COMPLEX TASK IN VIEW PRESENT LEBANESE POLITICAL AND ECONOMIC CLIMATE;

(E) AGREEMENT THAT, TO REMAIN COMPETITIVE AND TO MEET FORTHCOMING NOISE AND ENVIRONMENTAL STANDARDS, MEA MUST MODERNIZE FLEET DURING 1980'S. SHEIKH NAJIB NOTES MAJOR COMPETITORS (I.E. SAUDIA, GULF AIR) ARE PRESENTLY FLYING HIGH-FREQUENCY, NON-STOP SERVICES LONDON-SAUDIA ARABIA/GULF, SHARPLY DIVERTING MEA'S HARD-CORE TRUNKLINE TRAFFIC WHICH FORMALLY MOVED LONDON-BEIRUT-POINTS BEYOND, AND EROSION OF SIGNIFICANT PROTION OF MEA TRANSATLANTIC-CONNTECTING TRAFFIC AT MAJOR EUROPEAN GATEWAYS (PARTICULARLY LONDON, PARIS) BY ALIA'S NEW DIRECT SERVICES AMMAN-NEW YORK.

4. POHLE NOT AWARE IF SHEIKH NAJIB REPORT SUBMITTED FIRST TO MEA BOARD OR TO INTRA BOARD, BUT RCAA BELIEVES REPORT SUBMITTED INITIALLY TO MEA BOARD, THEN PASSED ONWARD TO BANK BY INTRA REPRESENTATIVE ON IARLINE'S BOARD.

5. RCAA AND POHLE ASSUME SHEIKH NAJIB IN AGREEMENT WITH ASAD NASR TO DELAY IMPLEMENTATION FLEET PLAN UNTIL CLEARER TRAFFIC PICTURE AVAILABLE. HOLMES

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, COMMERCIAL AIRCRAFT, AIRLINES
Control Number: n/a
Copy: SINGLE
Draft Date: 12 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978ROME10817
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780245-0227
Format: TEL
From: ROME
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780669/aaaachsm.tel
Line Count: 116
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8c50d18a-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 ROME 10724
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 25 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2388946
Secure: OPEN
Status: NATIVE
Subject: CIVAIR: U.S. SALES PROSPECTS TO MEA
TAGS: BEXP, EAIR, LE, US, MEA
To: STATE BEIRUT
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/8c50d18a-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014